GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:396
ANSWERED ON:28.02.2008
HIKE IN THE STEEL PRICES
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Will the Minister of STEEL be pleased to state:

(a) whether the prices of steel are being hiked arbitrarily by the steel companies;

(b) if so, the details of prices hiked from time to time by the steel companies during the last three years along with the percentage thereof;

(c) whether any permission has been taken from the Government by these companies before increasing the prices;

(d) if not, the reasons therefor;and

(e) the action being taken by the Government in this regard?

Answer

THE MINISTER OF STATE(DR. AKHILESH DAS) IN THE MINISTRY OF STEEL

(a) Steel prices are determined by market factors such as demand and supply situation, landed cost of imports, price and availability of substitutes etc. Since there are a multitude of players and various other determinants in the domestic steel market, possibility of steel companies hiking prices arbitrarily does not arise.

(b) The details of price movement of representative categories of steel products on quarterly basis, in the retail market of Mumbai during the last three years are given in the annex.

(c) to (e) The steel sector in the country is deregulated and a liberalized scenario, prices are determined by the free interplay of market forces. Therefore, respective steel producers take commercial decisions including those on prices themselves. Nonetheless, on an appeal from the Honourable Steel Minister the major steel producers in the country have reduced steel prices on various categories of steel by Rs.500-1000/- per tonne in February 2008. Further, a Steel Price Monitoring Committee (SPMC) has also constituted, which provides an interface between the producers and consumers of steel under the aegis of Ministry of Steel, to discuss issues related to steel price movements in the country.